

~~SECRET~~

19 JUN 1957

MEMORANDUM FOR: Chief, Finance Division

SUBJECT : [REDACTED] Accounting and Accounting Procedures 25X1A2d1

1. In compliance with the [REDACTED] Administrative Plan, Amendment 25X1A2d1
No. 2, forwarded herewith for your possible action is a copy of [REDACTED] 25X1A6c
and attachment #3 to this dispatch. Attachments #1, 2, and 4 have been
forwarded previously under cover of a memorandum from the Chief, FE
Division to the Chief, Finance Division, dated 10 April 1957.

2. Your attention is invited specifically to paragraphs 5 through 9
of the attached dispatch which post facto describe a certain irregularity
in the handling of unvouchered funds advanced for use in the project

25X1A2d1 [REDACTED]

3. As indicated in paragraph 7 and attachment of this dispatch, there
is reasonable evidence that the funds gained by this transaction, which is
certainly not uncommon in [REDACTED], were returned to the project for 25X1A6a
use in operational activities which tended toward the attainment of project
objectives. There has been no financial loss to CIA, and, apparently, no
resultant security problems.

4. As a result of a post facto audit by the [REDACTED] Finance 25X1A6a
Officer of all [REDACTED] transactions to the present time, it is reason-
able to assume that no other instances beyond those noted have taken place.
The initiation of new funding and accounting methods, as noted in the
attached dispatch, and compliance with the provisions of the revised [REDACTED] 25X1A2d1
Administrative Plan should preclude the possibility of such transactions in
the future.

5. FE Division concurs in the recommendation made by the [REDACTED] Station 25X1A6a
as noted in paragraph 7 of the attached dispatch. In addition, however, FE
Division is not unmindful of the necessity to prevent one irregularity
leading to another and, providing the Chief, Finance Division has no objec-
tion, will deal with this aspect of the matter in a dispatch to the field.

[REDACTED] 25X1A9a

ACTING CHIEF, FAR EAST DIVISION

Attachments: [REDACTED] (cpy)
Attach #3 to above

25X1A6c